Restoration of Export Refinance Limits to Banks

639. SHRI PREM CHAND GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the RBI is reviewing the restoration of export refinance limits to banks;

(b) whether the Central Bank had cut export finance by 50 per cent to discourage speculative pressure on the rupee in July 2000; and

(c) if so, what is Government's decision on this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) On July 21, 2000 on a review of developments in the international and domestic financial markets, including the foreign exchange market, the RBI announced a 50% reduction in limits under export credit refinance in two stages of 25% each effectively July 29 and August 12, 2000. Export Credit refinance is continuously reviewed by RBI.

Income-Tax evasion cases against Companies

640. SHRI VIJAY SINGH YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Income-Tax evasion cases of thousands of crores of rupees are pending against a number of companies;

(b) if so, what are the details of evasion in cash case; and

(c) what action has been taken by Government to penalise those companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHADRAN): (a) and (c) Certain cases of concealment of income of Rs. one crore or above by companies have been detected. Necessary action as provided under the Income Tax Law, like imposition of penalty for concealment under section 271(1)(c)/158BFA(2) has been taken in many of these cases.

(b) The evasion has been in the form of suppresion of sales, inflation of purchases, unexplained credits and investments, unproved claim of agricultural income, etc.